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Exploration Highlights

New Brunswick Exploration Highlights *2001*

S.R. McCutcheon, M.J. McLeod,
T.C. Webb and R.E. Phillips

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Prepared by:

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New Brunswick's Exploration Highlights, 2001

METALLIC MINERALS

Claims Statistics

Claims statistics collected by the New Brunswick Department of Natural Resources (Table 1) indicate that overall claim-staking activity was down by approximately 10% in 2001. The Bathurst Mining Camp continued to be the dominant exploration area in New Brunswick but the Clarence Stream gold district is expanding as new and extended occurrences continue to be reported. Although 75% of the mineral claims in effect at year's end were in northern New Brunswick, 58% of the claims recorded during the year were in southern New Brunswick

Exploration Expenditure Surveys

For all of New Brunswick, the actual exploration expenditure for 2000 was $12 000 000 (general and minesite exploration, including overhead) and the forecast for 2001 was $10 200 000 (Natural Resources Canada survey). Most of the expenditure was focused on base metals within the Bathurst Mining Camp.

The annual informal telephone poll for northern New Brunswick, taken by the New Brunswick Department of Natural Resources and Energy in October, indicated that exploration expenditures in the northern half of the Province for 2001 are approximately $5 000 000, down more than $3 000 000 from the previous year.

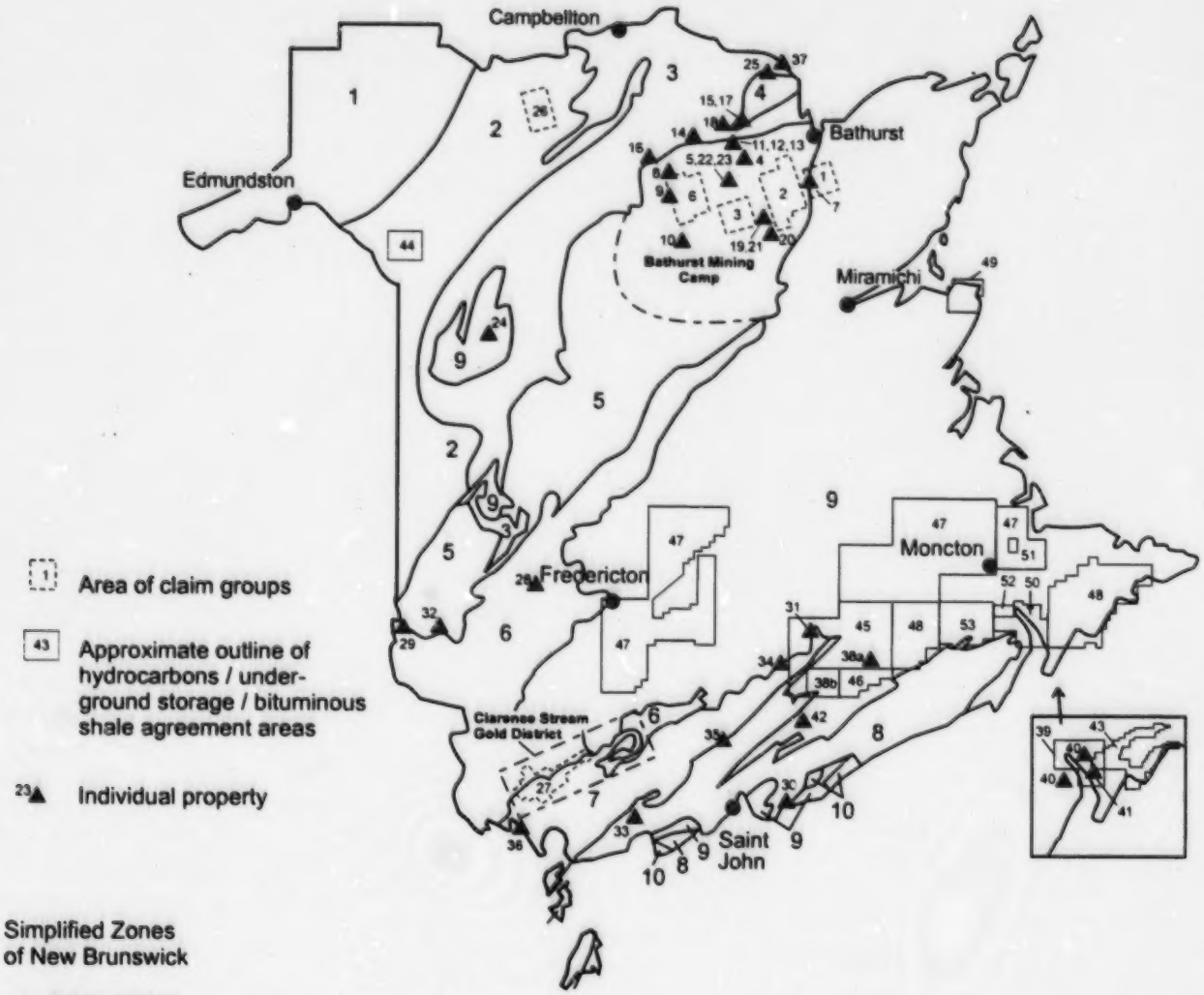
Exploration in Northern New Brunswick (S.R. McCutcheon)

The **major companies** that were active in 2001 include Hudson Bay Exploration and Development Co. Limited, Noranda Inc. and CanZinco Ltd. Falconbridge Limited, Phelps Dodge Corporation of Canada Limited and Teck Exploration Ltd. continued to hold land positions but no work was carried out on their claims in 2001.

The active **junior companies** in 2001 include Eastmain Resources Inc., Slam Exploration Ltd., Heron Mines Limited, Aurogin Resources Ltd. and Omni Mines Ltd. They collectively spent approximately $1 000 000. All of these companies received funding under the New Brunswick Junior Mining Assistance Program (NBJMAP). Other juniors, such as Black Bull Resources Inc., Chapleau Resources Limited, Connecticut Development Corporation, Freewest Resources Canada Inc., Major General Resources Limited, Marshall Minerals Corp., Mountain Lake Resources Inc. and PGE Resource Corporation held ground but little or no work was carried out on their claims during the year.

Legend

1. Claims, Middle Landing–Lawson Brook area (Noranda Inc., Noranda Mining & Exploration Inc.)
2. Claims, Brunswick–Portage River area (Noranda Inc., Noranda Mining & Exploration Inc.)
3. Claims, Heath Steele area (Noranda Inc., Noranda Mining & Exploration Inc.)
4. Claims, Middle River area (Noranda Inc.)
5. Claims, Caribou–Indian Lake area (Noranda Inc., Noranda Mining & Exploration Inc.)
6. Claims, Mount Perley–Halfmile Lakes area (Noranda Inc., Noranda Mining & Exploration Inc.)
7. Claims, Key Anacon Mine (Hunter Brook Holdings Limited)
8. Claims, Mount Perley (Hudson Bay Exploration and Development Co. Limited)
9. Claims, Mount Moses area (Hudson Bay Exploration and Development Co. Limited)
10. Claims, Kenny Lake (Hudson Bay Exploration and Development Co. Limited)
11. Claims, Wildcat (CanZinco Ltd.)
12. Claims, Carroll–Roller (CanZinco Ltd.)
13. Claims, Murphy (CanZinco Ltd.)
14. Claims, Caribou North (CanZinco Ltd.)
15. Claims, Armstrong (CanZinco Ltd.)
16. Claims, Restigouche Project (CanZinco Ltd.)
17. Claims, Rocky Turn (CanZinco Ltd.)
18. Claims, Orvan Brook (CanZinco Ltd.)
19. Claims, Railroad (Eastmain Resources Inc.)
20. Claims, Sprig Brook (Eastmain Resources Inc.)
21. Claims, CNE (Eastmain Resources Inc.)
22. Claims, 40 Mile Brook (Slam Exploration Ltd.)
23. Claims, Strachens Lake–Ahearn Brook area (Slam Exploration Ltd.)
24. Claims, Lewis Brook (Slam Exploration Ltd.)
25. Claims, Belledune area (Heron Mines Ltd.)
26. Claims, Simpsons Gulch–Boland Brook area (A. Wayne Lockhart)
27. Claims, Clarence Stream area (Freewest Resources Canada Inc. and others)
28. Claims, Springfield (M. Stewart)
29. Claims, Golden Ridge (Freewest Resources Canada Inc.)
30. Claims, Gold Brook area (Pro-Max Resources Inc.)
31. Claims, Marrtown area (Pathfinder Resources Ltd.)
32. Claims, Eel River area (PGE Resource Corp.)
33. Claims, New River (PGE Resource Corp.)
34. Claims, Annidale area (PGE Resource Corp.)
35. Claims, McKeel Lake area (Annapolis Valley Goldfields Inc.)
36. Port of Saint Andrews
37. Port of Belledune
38a. Potash Corporation of Saskatchewan (New Brunswick Division) potash mine
38b. Oil and natural gas licence to search (Potash Corporation of Saskatchewan Inc.)
39. Bituminous shale licence to search (Three-D GeoConsultants Limited)
40. Bituminous shale development permits (A.A. (NB) Inc.)
41. Underground storage exploration licence (St. Clair Pipelines (1996) Ltd.)
42. Underground storage exploration licence (Corridor Resources Inc.)
43. Underground storage exploration licences (Intragaz)
44. Oil and natural gas licence to search (Jean Mariadassou)
45. Oil and natural gas licences to search (Corridor Resources Inc.)
46. Oil and natural gas licence to search (Corridor Resources Inc. and Potash Corporation of Saskatchewan Inc.)
47. Oil and natural gas licences to search (Columbia Natural Resources Canada, Ltd.)
48. Oil and natural gas licences to search (Columbia Natural Resources Canada, Ltd. and Corridor Resources Inc.)
49. Oil and natural gas licence to search (Norton Energy Inc.)
50. Oil and natural gas licence to search and leases (J.A. Seglund Inc.)
51. Oil and natural gas leases (RHT Enterprises Ltd.)
52. Oil and natural gas lease (Irving Oil Limited)
53. Oil and natural gas lease (Columbia)



Simplified Zones of New Brunswick

1. Edmundston
2. Kedgwick
3. Tobique-Chaleur
4. Elmtree
5. Miramichi
6. Fredericton
7. Passamaquoddy
8. Saint John
9. Maritimes Basin
10. Fundy Basin

Figure 1. Highlighted exploration properties in New Brunswick, 2001.

Major Companies Within the Camp: **Noranda Inc.** accounts for approximately $3 500 000 of the total exploration expenditure in northern New Brunswick, all of it within the Bathurst Mining Camp. From east to west, Noranda's land holdings are concentrated in six areas: Middle Landing–Lawson Brook, Brunswick–Portage River, Heath Steele, Middle River, Caribou–Indian Lake, and Mount Perley–Halfmile Lakes (Figure 1: 1–6). Notably, Noranda staked 89 new claims in 2001 but dropped significantly more claims, all of them in the Bathurst Mining Camp. Noranda had a total of 3777 claims in the camp on October 22nd when the news broke that the company's exploration office in Bathurst was closing.

Most of Noranda's work in 2001 was focused on the Middle Landing–Lawson Brook, Brunswick–Portage River, and Mount Perley–Halfmile Lakes areas (Figure 1: 1, 2, 6). Although in-hole, three-dimensional seismic surveys were planned for seven localities in the Brunswick–Portage River and Mount Perley–Halfmile Lakes areas, the work was done in only one locality, Halfmile Lakes, where staff from the Geological Survey of Canada carried out a test survey in one hole. However, the company contracted Quantec to do test surveys in each of the three areas using its time-domain, ground electromagnetic, and distributed-array system (DAS).

Late in 2000, Noranda reached an agreement with Hunter Brook Holdings Limited, one of the Irving Group of companies, to explore the Key Anacon property (Figure 1: 7) at Middle Landing, which is contiguous with its Middle Landing–Lawson Brook claim block. Eight holes, totalling 7341 m, were drilled early in 2001; approximately 15 900 m were drilled by year's end on this property.

In the Brunswick–Portage River belt (Figure 1: 2), 12 holes totalling approximately 1465 m were drilled west and south of the No. 12 Crown Grant. Another 17 holes totalling 4475 m were drilled in the southern part of the belt, mostly on the Narrows property.

In the Mount Perley–Halfmile Lake belt (Figure 1: 6), further drilling was carried out in the vicinity of the new Mount Fronsac North deposit, where approximately 17 000 m of drilling was completed in 2000. That drilling outlined 14 000 000 t of low-grade massive sulphides, including about 1 200 000 t grading 0.14% Cu, 2.18% Pb, 7.65% Zn, 40.3 g/t Ag and 0.40 g/t Au. Twelve holes totalling 2883 m were drilled in 2001.

Hudson Bay Exploration and Development Co. Limited conducted approximately 70 line-kilometres of horizontal-loop electromagnetic and magnetometer surveys on eight grids, and collected 1500 soil samples on five of them. Five holes, totaling 664 m, were drilled to test Spectrum airborne electromagnetic anomalies in the Mount Perley, Mount Moses, and Kenny Lake areas (Figure 1: 8–10). The anomalies were explained by graphitic sedimentary rocks.

CanZinco Ltd. conducted 23 line-kilometres of induced polarization on the Wildcat, Carroll–Roller, and Murphy properties (Figure 1: 11–13) in the northern part of the Bathurst Mining Camp. Several anomalies were outlined that warrant further work. CanZinco also contracted Eastern Geophysics to conduct Pulse electromagnetic surveys in four previously drilled holes on its Caribou and Armstrong properties (Figure 1: 14, 15). The preliminary results indicate at least one strong off-hole anomaly in hole 6006-98-9. The company also drilled five holes, totalling 1304 m, to test known induced polarization anomalies; two were drilled on the Restigouche property (one 600 m south and the other 800 m east of the deposit; Figure 1: 16). The other three were drilled on the Wildcat, Rocky Turn, and Orvan Brook properties (Figure 1: 11, 17, 18).

Junior Companies Within the Camp: **Eastmain Resources Inc.**, and option-agreement partner **Stratabound Minerals Corp.**, have the second largest land position (1179 claims) in the Bathurst Mining Camp after Noranda. Late in 2000, the company announced that Billiton would fund a drilling program on the Railroad property (Figure 1: 19) through a $700 000 private placement. The program began in June with two drill rigs, one testing the Railroad deposit and the other testing five targets elsewhere on the property. Twenty-three holes, totalling about 7000 m, were completed by late summer, 6 on the deposit and 17 elsewhere. Narrow, high-grade intercepts were encountered at the Railroad deposit (e.g., hole RRD-01-01 cut 0.5 m grading 33.4% Zn, 17.0% Pb, 0.4% Cu and 342 g/t Ag in a 10.3 m interval grading 5.3% combined Pb + Zn), which appears to be hosted by rocks of the Flat Landing Brook Formation. Three of the other targets yielded geologically significant results. At the Railroad Iron Formation Horizon, hole RR-01-06 cut 16 m of chlorite–magnetite iron formation near the top of the Nepisiguit Falls Formation (i.e., the Brunswick Horizon). At the Railroad Footwall Zone, drilling outlined an altered and sulphide-bearing zone about 600 m long within Nepisiguit Falls rocks. At Sprig Brook (Figure 1: 20), hole RR-01-12 intersected 20 m of disseminated and stringer sulphides. No further drilling is scheduled for 2001 on the Railroad property but the company plans to drill six holes on the CNE (Stratabound) property (Figure 1: 21) to test induced polarization targets.

Slam Exploration Ltd. added 25 claims to its 40-Mile Brook property (Figure 1: 22) near the Wedge deposit and staked 109 claims in the Strachens Lake–Ahearn Brook area (Figure 1: 23). Slam focused on the latter property and carried out a trenching program to expose the known O'Hearn [sic] massive-sulphide zone. Spectacular grades were obtained over narrow widths along a strike length of about 37 m. Values ranging from 44.2% to 56.1% combined Pb + Zn, and up to 520 g/t Ag were reported over widths of 0.43 m to 0.98 m. This sulphide zone appears to be hosted by rocks of the Flat Landing Brook Formation. Another 19 trenches were dug elsewhere on the Strachens Lake–Ahearn Brook property to test previously identified targets. As a result, massive sulphide boulders were uncovered 60 m north of the zone and a new occurrence was discovered 250 m east of it, from which a grab sample ran 2.3% combined Pb + Zn.

Companies Outside the Camp: Slam Exploration Ltd. dropped its large land position near the Clarinda gold property at Lower Tetagouche Lake and focused on its Lewis Brook Pb–Zn property (Figure 1: 24) near Mount Costigan. Seven holes, totalling 763.8 m, were drilled on this property to test a bonanza-grade silver occurrence that was trenched in 2000. The best intersection was in hole LB0010 where a 1.2 m interval (73.5–74.7 m) graded 1.44% Pb, 1.18% Zn and more than 1700 g/t Ag.

Heron Mines Ltd. and joint-venture partner **Aurogin Resources Ltd.** announced in February that they had completed a 750 line-kilometre (50 km line spacing), helicopter-towed, time-domain electromagnetic (AEROTEM) survey, including magnetics, over their 283-claim property near Belledune (Figure 1: 25). A previously unknown electromagnetic anomaly, with a strike length of about 250 m, was detected and in late March to early April was tested by three drill holes without any ground truthing of the anomaly. Hole #3 intersected vein–stockwork mineralization between 3 and 287 m. The best assays reported within this interval ranged from 1.75 g/t to 4.9 g/t Au over 1.0 to 2.5 m. Subsequently, hole #3 was deepened to 354 m and both surface and down-hole Pulse electromagnetic suveys were carried out. A strong off-hole anomaly was detected at about 170 m in hole #3; consequently, another hole is planned to test this anomaly. Meanwhile, another 259 claims were staked to the west of the existing property and another 800 line-kilometres of airborne geophysics (AEROTEM and magnetic) were flown in the early fall of 2001. Aurogin reported that eight new strong conductors have been detected and that ground examination is underway to better define drill targets.

Omni Mines Ltd. plans to drill-test one or two localities on its properties in the Simpsons Gulch–Boland Brook area (Figure 1: 26). The objective is to determine if the large total-field magnetic anomaly in that area is caused by a buried intrusion, which may be the source of the nickel–cobalt stream-sediment anomalies.

Exploration in Southern New Brunswick (M.J. McLeod)

Most exploration activities in southern New Brunswick for the 2001 calendar year were related to the delineation of reserves on known gold deposits and the discovery of new gold occurrences, particularly in the vicinity of Clarence Stream, east of St. Stephen (Figure 1). The intensity of exploration and the number of new finds in and around tin–tungsten-bearing felsic intrusions associated with the Saint George Batholith leave little doubt that a world-class, granite-related gold district is emerging in this part of the province. About 3400 claims had been staked by year's end in southern New Brunswick, well over half of which are for gold. More than $1 000 000 was expended on these exploration projects in 2001. It is anticipated that there will be several hundred more claims recorded for gold in the region in 2002, and that the exploration expenditures will increase accordingly.

Gold Exploration in the Clarence Stream District: The exploration effort in the Clarence Stream area has been spearheaded by several junior mining organizations and by numerous local prospectors and their companies. **Freewest Resources Canada Inc.**, one the main players, has drilled 64 holes to date on its property at Clarence Stream (Figure 1: 27) where potentially mineable, high-grade mineralization was intersected in parts of the East, Central, Cox, West and North zones. Two very promising new discoveries, anomalies A and B, have been located on the property about 3 and 2 km northwest and southwest of the original showings, respectively. All of these occur within metamorphosed volcanosedimentary sequences and metagabbros peripheral to granitoid intrusions.

Other junior companies working in this area include **Rubicon Minerals Corporation**, **Union Gold Inc.**, **Fancamp Resources Ltd.**, **Murgor Resources Inc.**, **Golden Hope Mines Limited**, and **PGE Resource Corporation**. Many of these companies have also conducted extensive exploration on their properties with promising results. For example, immediately southwest and along strike of Freewest's discovery zone, Union Gold Inc. has delineated highly prospective drill targets based on detailed geochemical and geophysical surveys. Another example is Fancamp Resources Ltd. who discovered new gold showings in a similar geological environment several kilometres along strike to the northeast (Figure 1: 27).

A group of local prospectors and explorationists, including **William Gardiner** (Southfield Resources Ltd.), **Emilio Doiron** (Pro-Max Resources Inc.), **Terry Mersereau** (Northeast Exploration Services Limited), **Peter Fenety**, **David Stevens**, and **Raymond Thorn**, have been very active on several claim groups in the district. The group has delineated numerous zones with high potential based on geochemical surveys, geological mapping and prospecting.

Gold Exploration Outside the Clarence Stream District: Other gold properties associated with felsic to intermediate intrusions in southern New Brunswick were also investigated during 2001, particularly in the contact zone of the Pokiok Batholith near Springfield and in the Poplar Mountain area, both west of Fredericton (Figure 1: 28, 29). **Merton Stewart**, working with TNR Resources Ltd., conducted geochemical surveys and a drilling program on the Springfield property (Figure 1: 28). Significant gold

mineralization was located on the property and it is anticipated that this work will generate additional exploration in this region. **Freewest Resources Canada Ltd.** maintains large holdings in the Poplar Mountain area (Figure 1: 29), where widespread gold mineralization in structural zones are intimately associated with a high-level, intermediate intrusion. At year's end, the company was seeking joint venture partners to further develop this huge resource.

South of Saint John in a northeasterly trending belt along strike from the Cape Spencer gold mine, **Pro-Max Resources Inc.** continued its work on properties in the vicinity of Gold Brook (Figure 1: 30) and has discovered several high-grade gold showings along shear zones in this gold-rich thrust belt. Continuity of well-defined structures hosting auriferous veins has been demonstrated over a distance of more than 2 km on the property.

In the latter part of 2001, **Southfield Resources Ltd.** and **Pro-Max Resources Inc.** have discovered a gold–antimony system associated with shear and stockwork zones in a highly altered gabbro–basalt complex north of Sussex at Marrtown (Figure 1: 31). Pathfinder Resources Ltd. will be conducting further exploration on the property. Results of prospecting are preliminary, but initial results indicate that there could be a very significant gold-bearing system in this previously unrecognized geological environment in southern New Brunswick.

Exploration for Other Commodities: Exploration for base-metal sulphides also continued in a few areas of southern New Brunswick. **Patrick Marr** continued work on his Eel River claims west of Fredericton (Figure 1: 32). He has been successful in tracing stratiform massive sulphide horizons across his claim group and has delineated drill targets based on geophysical surveys. **PGE Resource Corp.** also continued working on its properties at New River and Annidale (Figure 1: 33, 34), west and north of Saint John, respectively. Both these areas have good potential for volcanogenic massive sulphide deposits when compared to similar environments that contain known deposits to the southwest in Maine.

Annapolis Valley Goldfields Inc. has conducted a limited amount of exploration for tantalum in the region. Targets for a planned drill program have been outlined in granites on the company's McKeel Lake property, north of Saint John (Figure 1: 35). This granite hosts the only tantalum-bearing rare metal occurrence in the region.

INDUSTRIAL MINERALS (T.C. Webb)

Exploration and development activity related to New Brunswick's industrial rock and mineral resources continued at a respectable pace throughout 2001 with much attention directed to agricultural and construction materials.

On the agricultural side, preliminary evaluation of a dolomite occurrence in northern New Brunswick was initiated with more work planned for 2002. Work on limestone and gypsum in northwestern New Brunswick has resulted in the establishment of a new agricultural gypsum operation with development work continuing on an adjacent limestone property. In southern New Brunswick, exploration associated with the expansion of several limestone operations continued. The potential for increased limestone exploration in this part of the province is encouraging in light of the planned refurbishment of a large power-generating facility that may required 200 000 t of limestone annually for environmental purposes.

On the construction and related materials side, exploration and development of the Province's aggregate resources continued at record levels throughout the year. Although much of this relates to the construction of the natural gas pipeline and a new 195 km four-lane highway in southern New Brunswick, considerable interest has been shown in exporting aggregate materials from the Province's ports.

Over the last three to four years, the primary construction phase of the highway project has resulted in the consumption of approximately 8 500 000 t of rock, gravel and sand. In addition, many tonnes of high-quality aggregate materials went into1 500 000 t of asphalt and 57 000 m^3 of concrete.

The export of New Brunswick aggregate materials has become a major industry, with shipments reaching a record level in 2001. For example, in 2000, an estimated 1 000 000 t of aggregate (crushed rock and sand) moved out of the Port of Bayside in southwestern New Brunswick (Figure 1: 36), almost double that of 1999. Interest continued in expanding aggregate exports from southwestern New Brunswick. It is suggested that, under favourable conditions, other sites in New Brunswick have potential as aggregate exporters, particularly adjacent to the Port of Belledune in northern New Brunswick (Figure 1: 37).

A few interested parties are examining exploration and potential development initiatives of natural stone. One company has been looking at existing piles of quarry waste rock in southwestern New Brunswick in order to produce and market several types of crushed and related stone products for ornamental uses.

The Potash Corporation of Saskatchewan (New Brunswick Division) increased its property holdings near its Sussex area mine and processing facility (Figure 1: 38a) as a result of preliminary drilling results associated with defining a natural gas resource on the company's existing mining lease. PCS(NB) plans to conduct a more detailed assessment of the potash resource in this area.

HYDROCARBONS AND UNDERGROUND STORAGE (R.E. Phillips)

The posting of a 26 833 ha block (Figure 1: 39) south of Moncton in the late fall resulted in a bituminous shale licence to search being awarded to Three-D GeoConsultants Limited from Fredericton.

A.A. (NB) Inc., a New Brunswick company wholly owned by a Malaysian parent company, surrendered two bituminous shale development permits south of Moncton in the Albert Mines and Dover areas (Figure 1: 40). These permits have a total land area of 1077 ha.

All pipeline laterals to Fredericton, Moncton and Saint John were completed and placed into service from the Maritimes & Northeast pipeline that carries natural gas from Sable Island to New England.

St. Clair Pipelines (1996) Ltd. of Chatham, Ontario holds an 895 ha underground storage exploration licence in the Dorchester area (Figure 1: 41). A Windsor Group salt body underlies the area. St. Clair continues to assess the potential of the site.

Corridor Resources Inc. from Halifax made application for an underground storage exploration licence on a 15 086 ha block in the Smithtown–Salt Springs area, southwest of Sussex (Figure 1: 42).

Intragaz, from Trois-Rivières-Ouest, Québec, currently holds approximately 27 800 ha in underground storage exploration licences in southeastern New Brunswick (Figure 1: 43). The company was granted three-year exploration licences for Port Elgin–Coppermine (15 363 ha), Uniacke Hill (650 ha). Additional licences include Baie Verte (628 ha), Sackville (7457 ha), Jolicure (2356 ha) and Point de Bute (1347 ha). All licences are in good standing and the company is assessing the geological and geophysical data available for the salt bodies under the licences.

At year's end 2001, 710 410 ha of land in New Brunswick were held under a number of oil and natural gas licences to search and leases. Companies holding licences to search(Figure 1: 38b, 44–50) are: Potash Corporation of Saskatchewan Inc.[PCS] (9015 ha, near Sussex), Jean Mariadassou (10 521 ha, southeast of Edmundston), Corridor Resources Inc. (97 132 ha, north and west of Sussex), Corridor/ PCS (14 784 ha, east of Sussex), Columbia Natural Resources Canada, Ltd.[CNRC] (381 999 ha, south and northwest, north and northeast of Moncton and near Fredericton). Corridor/CNRC (126 587 ha, southeast and southwest of Moncton), Norton Energy Inc. (11 265 ha, east of Miramichi), and J.A. Seglund, Inc. (8990 ha, south of Moncton). Companies holding leases (Figure 1: 50–53) are: J.A. Seglund Inc. (13 647 ha, on five blocks south of Moncton), RHT Enterprises Ltd. (2146 ha, northeast of Moncton), Irving Oil Limited (2153 ha, south of Moncton), and CNRC (33 411 ha, southwest of Moncton).

Jean Mariadassou, an independent, received approval to re-enter Notre Dame de Lourdes #1 (ONG 97-01) well in slate and limestone of the Matapedia Group southeast of Edmundston (Figure 1: 44).

Corridor entered into two farmout agreements; first with Globex Resources Ltd., a Calgary-based, junior exploration company, on three licences to search (ONG 01-06, ONG 01-07 and ONG 01-08) covering some 43 000 ha. Secondly, a farmout agreement with EOG Resources Inc., a company based in Calgary, will result in EOG operating certain of Corridor's 49 000 ha interest on licences to search (ONG 98-09, ONG 98-10, ONG 01-04) in the McCully natural gas discovery area (Figure 1: 45–46).

Corridor and joint venture partner PCS, following the discovery of natural gas at McCully, 11 km northeast of Sussex, spudded three additional wells. A directional stepout, Corridor/PCS McCully 2/A-67-2425/P-66 (ONG 98-09), was drilled from the same pad as the discovery well. Also, two delineation wells, Corridor/PCS McCully P-56-2425 (ONG 98-09) and C-75-2425 (ONG 01-04), were completed 2.2 km to the southeast and 4.5 km to the southwest of the discovery well, respectively (Figure 1: 46). Corridor was granted geophysical licences and permits for two surveys totalling 146 km of reflection seismic. The survey locations are in Millstream and McCully areas (Figure 1: 45-46).

Late in the year, well licences were issued for Corridor Globex Case Settlement C-82-2424 (ONG 01-08) and EOG Corridor McCully D-48-2425 (ONG 98-09) (Figure 1: 45).

CNRC, a Fredericton-based company operating all the former lands held by MariCo Oil and Gas Corporation in the Marysville, Moncton, and Sackville subbasins as well as the Cocagne Graben, continued exploration with active drilling and geophysical programs. The drilling in the Monteagle area (ONG 97-06) resulted in completing the work on Columbia Monteagle G-56-2226 and J-67-2226 wells spudded late in the previous year. Two additional wells, Columbia *et al.* Monteagle A-47-2226 and L-18-2226 were licenced and drilled. CNRC was issued geophysical licences and permits for three surveys totalling 110 km of reflection seismic. The survey locations are in Sackville, Marysville and North Cocagne areas (Figure 1: 47).

CNRC and Corridor joint-ventured in drilling a well, Columbia/Corridor Copper Mine Hill 2/F-88-2329 (ONG 95-02), northwest of Sackville. The companies have 50% interest in licences to search ONG 95-02, ONG 95-03, ONG 95-04, ONG 95-05, ONG 97-02 and ONG 97-03 located in the Sackville and Moncton subbasins, southeast and southwest of Moncton, respectively (Figure 1: 48).

Norton Energy Inc. from Miramichi began assessment of its newly acquired licence to search, ONG 01-05 (Figure 1: 49).

PCS, with its office in Sussex, is evaluating the hydrocarbon potential of its new licence to search ONG 01-03 (Figure 1: 38b) through previously shot seismic and geological assessment.

J.A. Seglund Inc.'s block of four leases lie to the southeast and east of the Stoney Creek oil and natural gas field (Figure 1: 50)

RHT Enterprises Ltd. six-section lease remains in good standing (Figure 1: 51).

Irving Oil Limited maintains the Stoney Creek field under lease 74-1. The 2153 ha lease, currently is in the eight year of a ten-year term with production suspended. (Figure 1: 52).

Former licences to search ONG 93-01 (10 057 ha) and ONG 93-02 (33 411 ha) were converted to leases at the end of their respective eight-year terms. The agreements for the leases will meet the requirement under Regulation 2001-66 (Licence to Search and Lease Regulation) of the *Oil and Natural Gas Act*.